

July 16, 2020

To: Idaho Public Utilities Commission via email, secretary@puc.idaho.gov

From: Lisa Young, on behalf of the Idaho Chapter Sierra Club, 503 W. Franklin St., Boise, ID 83702

Re: PAC-E-19-08

As the Director of the Idaho Chapter Sierra Club, I respectfully submit these comments on behalf of our chapter. Our chapter maintains contact with over 300 supporters in the RMP service territory as we pursue our work to advance clean energy solutions. We also keep in mind that RMP customers in the future will want to consider on-site generation, yet those future customer perspectives cannot be time-traveled in to comment on this docket. Based on our interactions with customers and knowledge of energy matters, we would like to highlight a few issues and recommendations regarding PAC-E-19-08.

➤ **We oppose the proposed instantaneous billing as it would unduly harm customer ability to independently and accurately evaluate investments in on-site generation.**

The Company's original Application proposes that exported energy be measured instantaneously. For the future customer who wants to evaluate investing in on-site generation, that would require some very advanced spreadsheet and analytical skills.

There are often theoretical arguments to increase the complexity of a rate design, and regulators must weigh, is it worth it? In this case, no. Future customers considering on-site generation should not be unduly burdened by a billing policy for which the complexity itself creates an unnecessary deterrent to on-site generation. This proposed burden is far out of proportion with scope of potential inequities if no changes to billing structure were implemented. Exports from net metering customers account for roughly **0.035%** of metered sales in Idaho. If those existing customers are grandfathered, the exports affected by a new program would start at **0.00%**. Expiring tax credits and any de-valuing of exports will both dampen growth.

- We ask that neither instantaneous nor hourly billing be pursued.
- Any consideration of an instantaneous or hourly netting policy should first study: For a customer to contemplate an investment in on-site generation, what is the average customer's ability to project their consumption, the contemplated system's production, and the applicable rates *for every moment of every day for the life of the system*? In addition to this calculus, the customer would also need to accurately compare impacts of different design choices and assumptions.
- Any consideration of instantaneous or hourly netting should also study the change in workload for installers as well as the installers' abilities to provide accurate projections.

For clarity, we do support time-differentiated rates. Unlike the billing proposal to instantaneously measure energy exports, time-differentiated rates do not over-complicate the evaluation of an on-site generation investment.

➤ **If a fair value for exports would motivate greater exporting, that raises bigger questions.**

The Company proposes that export credits should expire annually. The logic defending this proposal suggests that a fair value for exports would create a financial incentive for customers to over-size systems. The proposal is that a financial disincentive is necessary so that customers do not capture the full fair value of their exports over time.

- We do not believe an arbitrary financial disincentive is justified and oppose the expiration of export credits.
- If a fair value for on-site generation exports results in an economically advantageous resource, the key question is not how to de-value exports, the bigger question is how the Company can better utilize this resource to serve its growing loads.

➤ **Additional categories should be studied to value exports.**

Like other commenters, we are surprised at the Company's narrow definition of value categories given common practices. We ask that a study to value exports also consider:

- Avoided generation capacity
- Avoided transmission & distribution capacity
- Fuel price guarantee value
- Environmental benefits, such as reduced costs to RMP for complying with pollution controls at Company-owned generation sources
- Local economic benefits.

➤ **Take a long-term view.**

Many avoided costs are not experienced in the short-run but are experienced well within the lifetime of installed solar systems.

- We ask that a long-term view of avoided costs be used to accurately value exports.

➤ **Idahoans are getting the short end of the stick**

In the Company's IRP, Idaho is not a priority for future investments – the Company plans to invest in wind power in Wyoming and solar Power in Utah. Idaho is not a priority in the allocation of clean energy - the Company is seeking to allocate more clean energy to its customers in Oregon and

Washington. Most concerning, the Company is on a path to disproportionately put the burden of legacy coal costs on its Idaho customers.

- We ask that the Commission recognize that having choices is important to Idahoans, and to impose a high bar for the size and validity of any theoretical inequities before diminishing the choice Idahoans have to invest - in Idaho - to take control of their future energy costs.

Idahoans can't choose their utility, but currently we can choose on-site generation to serve our own energy needs. We entrust in our Commission to protect that right from disproportionate or onerous changes to the net metering program.

Thank you for considering our comments,

A handwritten signature in black ink, appearing to read "Lisa J. Young". The signature is written in a cursive, flowing style.

Lisa Young
Director, Idaho Chapter Sierra Club

I acknowledge that submitting a comment in an open case constitutes a public record under Idaho Code 74-101(13) and that all information I provide in this comment is available for public and media inspection. My comment may be reviewed by the utility. Our headquarters in Idaho are in the Idaho Power service area.